

## Let's ask where bank profits come from

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[Britain must back Obama's stand against the money bullies | Polly Toynbee | Comment is free | The Guardian](#)

The great unasked question is the incidence of bank and other financial institution profits - who is losing to ensure bankers profit in other words. This is much, much more important than any question on the incidence of taxes paid by banks.

I was discussing this with Polly Toynbee this week:

*Richard Murphy points out that the London Stock Exchange churns vast numbers of shares daily to the dealers' short-term benefit, while Warren Buffett makes higher profits sitting on his shares long term.*

In 2008 the London stock exchange turned over 1.43 times its entire value. On average a share was owned for 255 days. And yet the overall movement in the make up of the exchange and portfolios was small.

So why the churn? Certainly not for the real benefit of ultimate owners, of that you can be sure.